

Rocmec Mining Inc.

(A Development Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6-MONTH PERIOD ENDED MARCH 31, 2007

These unaudited interim consolidated financial statements have been prepared by management. The external auditors have not examined these interim consolidated financial statements.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

Consolidated Statements of Earnings and Deficit and Statements of Comprehensive Income

Consolidated Contributed Surplus

Consolidated Statements of Cash Flows

Notes to interim consolidated financial statements

Rocmec Mining Inc.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

(unaudited)

| | \$ | \$ |
|--------------------------------------------------------------|-------------------|--------------------|
| | March 31, 2007 | September 30, 2006 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 7,460 | 16,553 |
| Temporary investment | 14,412 | 65,019 |
| Sales taxes receivable and other accounts receivable | 140,108 | 277,653 |
| Tax credit receivable | 2,059,459 | 901,287 |
| Prepaid expenses | 100,978 | 29,287 |
| | <u>2,322,417</u> | <u>1,289,799</u> |
| FIXED ASSETS (Note 5) | 1,645,132 | 1,895,345 |
| FUNDS HELD FOR EXPLORATION AND DEVELOPMENT CHARGES | 289,766 | 503,069 |
| MINING PROPERTIES (Note 6) | 2,053,599 | 2,052,751 |
| DEFERRED EXPLORATION AND DEVELOPMENT CHARGES (Note 7) | 7,681,812 | 5,280,168 |
| SECURITY DEPOSITS | 33,220 | 33,220 |
| THERMAL FRAGMENTATION - EXCLUSIVE LICENCE | 1,343,657 | 1,332,476 |
| | <u>15,369,603</u> | <u>12,386,828</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | 1,908,960 | 1,617,116 |
| Deferred income | 5,000 | - |
| Loan (Note 8) | 1,000,000 | 2,100,000 |
| Current portion of long-term debt (Note 9) | 145,201 | 140,724 |
| Current portion of debentures (Note 10) | 80,418 | 54,562 |
| | <u>3,139,579</u> | <u>3,912,402</u> |
| LONG-TERM DEBT (Note 9) | 209,121 | 276,296 |
| DEBENTURES (Note 10) | 2,852,248 | 1,489,355 |
| FUTURE INCOME TAXES | 921,817 | 633,620 |
| | <u>7,122,765</u> | <u>6,311,673</u> |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 11) | 16,096,433 | 12,640,688 |
| Share capital to be issued (Note 11) | 12,000 | 357,000 |
| Contributed surplus | 768,870 | 265,029 |
| Warrants (Note 11) | 957,942 | 772,083 |
| Equity component of convertible debentures | 774,944 | 620,944 |
| Deficit | (10,363,351) | (8,580,589) |
| | <u>8,246,838</u> | <u>6,075,155</u> |
| | <u>15,369,603</u> | <u>12,386,828</u> |

COMMITMENTS (Note 12)

The accompanying notes form an integral part of these interim consolidated financial statements

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Donald Brisebois _____, Director

(s) Daniel Gilbert _____, Director

Rocmec Mining Inc.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF EARNINGS AND DEFICIT AND STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

| | \$ | \$ | \$ | \$ |
|---------------------------------------------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| | 3-month period ended March 31, 2007 | 6-month period ended March 31, 2007 | 3-month period ended March 31, 2006 | 6-month period ended March 31, 2006 |
| INCOME | | | | |
| Other revenue - Management fees | - | - | 164 | 164 |
| GROSS PROFIT | - | - | 164 | 164 |
| GENERAL AND ADMINISTRATIVE EXPENSES | | | | |
| Management fees | 1,500 | 3,000 | - | - |
| Trustees fees and registration | 8,368 | 11,667 | 9,656 | 12,107 |
| Travelling and promotion | 10,024 | 31,108 | 6,694 | 16,950 |
| Professional fees | 105,695 | 177,394 | 5,796 | 148,271 |
| Financial fees | 29,091 | 187,080 | 7,007 | 42,057 |
| Reporting to shareholders | 5,629 | 9,079 | 4,991 | 6,487 |
| Telecommunications | 8,387 | 18,504 | 6,787 | 12,062 |
| Stationary and office expenses | 2,658 | 5,359 | 6,889 | 9,019 |
| Bank charges | 177 | 1,605 | 33,394 | 34,683 |
| Rent | 9,375 | 18,750 | 8,550 | 17,100 |
| Bad debts (recovered) | (267,058) | (267,058) | - | - |
| Insurance | 19,123 | 34,884 | 10,173 | 20,396 |
| Salaries and fringe benefits | 104,757 | 191,838 | 77,740 | 153,182 |
| Stock-based compensation | 31,756 | 109,023 | 13,000 | 13,000 |
| Directors' fees | - | 1,200 | - | - |
| Interest on debentures and long-term debt | 280,052 | 601,883 | 21,605 | 45,803 |
| Amortization of fixed assets | 1,661 | 2,636 | 1,241 | 2,482 |
| Loss on disposal of fixed assets | - | - | - | 2,168 |
| Gain on revaluation of temporary investment | (3,396) | (3,403) | - | - |
| Write-off of mining properties | 96 | 1,896 | - | - |
| Write-off of deferred exploration and development charges (Note 14) | - | 90 | (314,582) | 31,111 |
| | 347,895 | 1,136,535 | (101,059) | 566,878 |
| EARNINGS (LOSS) BEFORE INCOME TAXES | (347,895) | (1,136,535) | 101,223 | (566,714) |
| INCOME TAXES | | | | |
| Future income taxes | (22,467) | 30,133 | 89,704 | 201,643 |
| NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME | (370,362) | (1,106,402) | 190,927 | (365,071) |
| NET EARNING (LOSS) PER SHARE | | | | |
| Basic | (0.006) | (0.018) | 0.005 | (0.009) |
| Diluted | (0.006) | (0.018) | 0.003 | (0.009) |
| Weighted average number of shares outstanding | 61,474,358 | 61,474,358 | 40,075,243 | 40,075,243 |
| DEFICIT AT BEGINNING | (9,618,371) | (8,580,589) | (5,784,016) | (4,946,267) |
| NET EARNINGS (LOSS) | (370,362) | (1,106,402) | 190,927 | (365,071) |
| SHARE ISSUANCE EXPENSES | (374,618) | (676,360) | (246,974) | (528,725) |
| DEFICIT AT END | (10,363,351) | (10,363,351) | (5,840,063) | (5,840,063) |

The accompanying notes form an integral part of these interim consolidated financial statements

Rocmec Mining Inc.

(A Development Stage Company)

CONSOLIDATED CONTRIBUTED SURPLUS

(unaudited)

| | \$ | \$ |
|-------------------------------------|----------------|--------------------|
| | March 31, 2007 | September 30, 2006 |
| BALANCE, BEGINNING OF PERIOD | 265,029 | 154,779 |
| Options granted | 109,023 | 37,000 |
| Warrants expired | 394,818 | 73,250 |
| BALANCE, END OF PERIOD | 768,870 | 265,029 |

The accompanying notes form an integral part of these interim consolidated financial statements

Rocmec Mining Inc.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

| | \$ | \$ | \$ | \$ |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| | 3-month period ended March 31, 2007 | 6-month period ended March 31, 2007 | 3-month period ended March 31, 2006 | 6-month period ended March 31, 2006 |
| OPERATING ACTIVITIES | | | | |
| Net earning (loss) | (370,362) | (1,106,402) | 190,927 | (365,071) |
| Operating items not involving cash | | | | |
| Non-cash interest expense on convertible debentures and share issuance expenses related to convertible debentures | 31,101 | 42,749 | - | - |
| Amortization of fixed assets | 1,661 | 2,636 | 1,241 | 2,482 |
| Loss on disposal of fixed assets | - | - | - | 2,168 |
| Stock-based compensation | 31,756 | 109,023 | 13,000 | 13,000 |
| Financial fees paid by the issuance of warrants | - | - | 58,762 | 76,312 |
| Write-off of mining properties | 96 | 1,896 | - | - |
| Write-off of deferred exploration and development charges | - | 90 | 22,064 | 33,799 |
| Future income taxes | 22,467 | (30,133) | (89,704) | (201,643) |
| Changes in working capital items | (1,090,226) | (3,240,342) | (1,124,334) | (1,008,333) |
| Cash flows from operating activities | (1,373,507) | (4,220,483) | (928,044) | (1,447,286) |
| INVESTING ACTIVITIES | | | | |
| Acquisitions of fixed assets | (69,948) | (85,362) | (2,400) | (14,150) |
| Disposals of fixed assets | 140,413 | 140,413 | - | - |
| Acquisitions of mining properties | (1,393) | (2,744) | (1,182) | (1,182) |
| Deferred exploration and development charges | (775,164) | (801,733) | (748,895) | (985,215) |
| Funds held for exploration and development charges | (116,269) | 213,303 | 345,024 | 95,000 |
| Security deposits | - | - | (167,933) | (167,933) |
| Acquisition of thermal fragmentation - exclusive licence | (5,445) | (11,181) | (113,047) | (115,029) |
| Cash flows from investing activities | (827,806) | (547,304) | (688,433) | (1,188,509) |
| FINANCING ACTIVITIES | | | | |
| Funds from issuance of dDebt issuance | - | 1,346,000 | - | - |
| Funds from issuance of loan | - | - | 1,550,000 | 1,550,000 |
| Loan reimbursement | - | - | (225,000) | (250,000) |
| Funds from issuance of long-term debt | 6,850 | 6,850 | - | 250,000 |
| Long-term debt reimbursement | (35,270) | (69,548) | (16,878) | (23,684) |
| Share issuance expenses | (281,465) | (356,290) | (121,466) | (197,549) |
| Share capital issued and to be issued | 2,152,046 | 3,073,489 | 767,132 | 1,678,075 |
| Funds from issuance of warrants issuance | 382,795 | 604,193 | - | - |
| Equity component of convertible debentures | - | 154,000 | - | - |
| Cash flows from financing activities | 2,224,956 | 4,758,694 | 1,953,788 | 3,006,842 |
| INCREASE (DECREASE) CASH AND CASH EQUIVALENTS | 23,643 | (9,093) | 337,311 | 371,047 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | (16,183) | 16,553 | 41,753 | 8,017 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | 7,460 | 7,460 | 379,064 | 379,064 |
| Interest paid | 286,251 | 787,739 | 52,865 | 121,205 |

The accompanying notes form an integral part of these interim consolidated financial statements

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

1- GENERAL

The interim consolidated financial statements have been prepared in accordance with accounting policies generally accepted in Canada. They follow the same accounting policies as the annual consolidated financial statements for September 30th, 2006. These financial statements do not include all required information for generally accepted accounting principles used in annual financial statements and should be read with the accompanying notes on the Company's September 30, 2006 financial statements.

These interim results are not necessarily indicative of the expected results for the year.

2- GOING CONCERN

These interim consolidated financial statements have been prepared in accordance with Canadian generally accounting principles and on the basis of the going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

A number of unfavorable conditions and events have left some doubt as to the appropriateness of this assumption. The Company has incurred significant operating losses in the last periods and its working capital is deficient.

The Company is trying to obtain various options from its lenders and shareholders that would allow it to obtain financing. The Company's ability to continue as a going concern depends on its capacity to obtain financing contracts.

These interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management feels that the measures described above that it took or intends to take will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of this assumption.

3- NEW ACCOUNTING POLICIES

During the quarter, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1530 "Comprehensive Income", introduces a new financial statement which shows the change in equity of an enterprise from transactions and other events and circumstances from non-owner sources.

Section 3855 "Financial Instruments - Recognition and Measurement", establishes standards for recognizing and measuring financial instruments, namely financial assets, financial liabilities and derivatives. The new standards lay out how financial instruments are to be recognized depending on their classification. Financial instruments are initially recorded at fair value. The subsequent evaluation depends on the classification of the financial instruments. Depending on financial instruments' classification, changes in subsequent measurements are recognized in net income or comprehensive income.

Transaction costs are charged to income as they are incurred.

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

3- NEW ACCOUNTING POLICIES (continued)

The Company has implemented the following classification:

Cash and cash equivalents, temporary investment and funds held for exploration and development charges are classified as "Financial Assets Held for Trading". Those financial assets are marked-to-market through net income at each period end.

Accounts payables and accrued liabilities, loan, long-term debt, obligations under capital lease and debentures are classified as "Other Financial Liabilities". They are initially recorded at fair value. Subsequent evaluation are measured at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

The adoption of these new standards has no impact on the financial position and the results of operations of the Company.

4- FINANCIAL INSTRUMENTS

Financial Risks

An important part of the Company's activities may be considered as exploration. In order to continue its exploration and development activities, the Company must obtain financing either through existing financial resources or through additional equity or quasi-equity financing. However, even though the Company has been successful in the past in raising the required funds there can be no assurance that the Company will be able to raise such additional equity.

All of the Company's properties are at the exploration and development stage. The long-term profitability of the company's operations will be in part directly related to the cost and success of its exploration and subsequent development programmes, which may be affected by a number of factors. These include the quantity and quality of the ore, the cost to develop infrastructure for production, the financing costs, as well as the market price of gold.

Environmental risks

The Company is subject to different environmental incidents that may occur during exploration or development work. Management has implemented programs to manage the risks involved, which include various plans and operational practices.

Flow-through shares

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds expended by the company will qualify as Canadian exploration charges, even if the company has taken all the necessary measures for this purpose.

Financial instruments book values and fair values were as follows:

| | Book value | Fair value |
|------------------------------------|------------|------------|
| <u>Other financial liabilities</u> | | |
| Capital leases | 19,569 | 19,569 |
| Long-term debt | 334,753 | 334,753 |
| Convertible debentures | 2,082,666 | 2,082,666 |
| Other debentures | 850,000 | 850,000 |

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

4- FINANCIAL INSTRUMENTS (continued)

The fair value of cash and cash equivalents, temporary investment, funds held for exploration and development charges, accounts payable and accrued liabilities and loans approximates their carrying value because of the short-term maturity of these instruments.

The fair value of the obligation under capital leases represents the obligations that the Company would have to face in the event of the negotiation of similar leases under current market conditions.

The fair value of long-term debt and debentures are estimated using discounted cash-flow analyses, based on current corresponding borrowing rates a similar types of borrowing arrangements.

5- FIXED ASSETS

| | March 31, 2007 | | | September 30, 2006 | | |
|----------------------|------------------|--------------------------|------------------|--------------------|--------------------------|------------------|
| | Cost | Accumulated amortization | Net value | Cost | Accumulated amortization | Net value |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Equipment | 1,546,320 | 366,036 | 1,180,284 | 1,618,580 | 228,834 | 1,389,746 |
| Gravimetric plant | 523,758 | 185,396 | 338,362 | 523,758 | 147,800 | 375,958 |
| Computer equipment | 26,344 | 8,184 | 18,160 | 15,985 | 5,978 | 10,007 |
| Automotive equipment | 153,099 | 66,510 | 86,589 | 153,099 | 51,230 | 101,869 |
| | <u>2,249,521</u> | <u>626,126</u> | <u>1,623,395</u> | <u>2,311,422</u> | <u>433,842</u> | <u>1,877,580</u> |
| Capital lease | | | | | | |
| Equipment | 6,850 | 213 | 6,637 | - | - | - |
| Automotive equipment | 20,900 | 5,800 | 15,100 | 20,900 | 3,135 | 17,765 |
| | <u>2,277,271</u> | <u>632,139</u> | <u>1,645,132</u> | <u>2,332,322</u> | <u>436,977</u> | <u>1,895,345</u> |

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

6- MINING PROPERTIES

| | Balance as at September 30, 2005 | Addition | Write-off | Balance as at September 30, 2006 | Addition | Write-off | Balance as at March 31, 2007 |
|------------------------|----------------------------------------|----------------|------------------|----------------------------------------|--------------|----------------|---------------------------------|
| Montauban | 803,994 | 700 | - | 804,694 | 864 | - | 805,558 |
| Denain | 112,323 | 35,261 | - | 147,584 | (16) | - | 147,568 |
| Courville-Maruska | 140,000 | 831 | - | 140,831 | - | - | 140,831 |
| Vauquelin | 132,000 | 15 | (132,015) | - | 96 | (96) | - |
| Lac Rose | 155,000 | 49,190 | (204,190) | - | 1,800 | (1,800) | - |
| Rocmec 1 (Russian Kid) | 887,999 | 143 | - | 888,142 | - | - | 888,142 |
| Tiblemont | - | 71,500 | - | 71,500 | - | - | 71,500 |
| | <u>2,231,316</u> | <u>157,640</u> | <u>(336,205)</u> | <u>2,052,751</u> | <u>2,744</u> | <u>(1,896)</u> | <u>2,053,599</u> |

Some of these properties are registered in the name of the seller and some are attached with a royalty in case of production.

a) Montauban project - Montauban and Grondines township, Québec

A 100% interest in 83 mining claims.

b) Denain project - Denain township, Québec

A 85% interest in 23 mining claims subject to a 3.5% net smelter return (NSR) royalty. On October 2006, the Company granted an option to sell his participation. The option calls for a cash payment to the Company of \$5,000 upon signature of the agreement, the issuance of 100,000 common shares during the first year, the issuance of an additional 300,000 common shares no later than 18 months following the signature of the agreement and a cash payment of \$2,400,000 within 24 months of the signature of the agreement. Furthermore, a 2.5% NSR royalty is attached to the option.

c) Courville-Maruska project - Courville township, Québec

A 100% interest in 20 mining claims.

d) Rocmec 1 project - Dasserat township, Québec

A 100% interest in 11 mining claims subject to a 5% Net Metal royalty on first 25,000 ounces and 3% on the additionnel ounces.

e) Tiblemont project - Tiblemont township, Québec

A 100% interest in 6 mining claims.

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

7- DEFERRED EXPLORATION AND DEVELOPMENT CHARGES

| | Balance as at September 30, 2005 | Deferred exploration and development charges | Write-off | Tax credit | Balance as at September 30, 2006 | Deferred exploration and development charges | Write-off | Tax credit | Balance as at March 31, 2007 |
|------------------------|----------------------------------------|-------------------------------------------------------|-----------|------------|----------------------------------------|-------------------------------------------------------|-----------|-------------|---------------------------------|
| Montauban | 792,187 | - | - | 382 | 792,569 | - | - | 34 | 792,603 |
| Denain | 1,062,277 | (5,851) | - | 14,178 | 1,070,604 | - | - | 781 | 1,071,385 |
| Courville-Maruska | 3,995 | - | - | 129 | 4,124 | - | - | 11 | 4,135 |
| Vauquelin | 13,455 | - | (13,740) | 285 | - | - | - | - | - |
| Lac Rose | 528,276 | 1,463 | (530,980) | 1,241 | - | - | - | - | - |
| Rocmec 1 (Russian Kid) | 94,021 | 4,094,825 | - | (775,975) | 3,412,871 | 3,582,134 | - | (1,181,316) | 5,813,689 |
| Others | - | 193,903 | (168,873) | (25,030) | - | - | (90) | 90 | - |
| | 2,494,211 | 4,284,340 | (713,593) | (784,790) | 5,280,168 | 3,582,134 | (90) | (1,180,400) | 7,681,812 |

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

7- DEFERRED EXPLORATION AND DEVELOPMENT CHARGES (continued)

DETAIL OF DEFERRED EXPLORATION AND DEVELOPMENT CHARGES

| | <u>\$</u> |
|-------------------------------|------------------|
| Diamond drilling | 269,086 |
| Thermal fragmentation | 213,374 |
| Development drifts and raises | 896,417 |
| Supervision | 160,501 |
| Maintenance | 769,905 |
| Surface | 361,622 |
| Technical services | 167,109 |
| Other exploration expenses | 154,001 |
| Transport and milling | 337,162 |
| Royalty | 20,641 |
| Equipment rental | 364,484 |
| Mineral sales | (324,694) |
| Amortization of fixed assets | 192,526 |
| | <u>3,582,134</u> |

8- LOAN

Loan reimbursable in gold, bearing 12% interest, repayable in 4 equal quarterly installments, commencing on November 30th, 2006 and maturing August 2007. Repayment of interest and principal will be paid in gold ounces delivered to the lenders. The number of ounces of gold to be delivered will be calculated by dividing the sum of the interests and capital to be paid by the average closing price of the last ten days based on the "spot market New York" in Canadian dollars minus 20%.

1,000,000

1,000,000

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

9- LONG-TERM DEBT

| | <u>\$</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Obligations under capital lease secured by the equipment and the automotive equipment of a net book value of \$21,737, repayable by monthly installments varying from \$129 to \$1,050 including interest calculated at rates varying from 13.92% to 18.65%, maturing between May 2008 and March 2009. | 19,569 |
| Loans secured by automotive equipment of a net book value of \$86,589 repayable by monthly installments of \$3,912 including principal and interest calculated at rates varying from 0.06% to 3.9%, maturing between October 2008 and August 2011. | 79,572 |
| Loan secured by thermal fragmentor of a net book value of \$160,168 repayable by monthly installments of \$5,213 including principal and interest calculated at a rate 9.2%, maturing August 2008. | 82,806 |
| Loans secured by loaders of a net book value of \$157,850 repayable by monthly installments of \$4,191 including principal and interest calculated at rates varying from 4.8% to 7.0%, maturing between August 2009 and August 2011. | <u>172,375</u> |
| | 354,322 |
| Current portion | <u>145,201</u> |
| | <u>209,121</u> |

Long-term debt principal repayments to be made during the following 5 years are as follows:

| | <u>Long-term debt</u> | <u>Capital lease</u> | <u>Total</u> |
|--------------------------------------------|-----------------------|----------------------|----------------|
| 2008 | 134,634 | 16,537 | 151,171 |
| 2009 | 96,688 | 5,510 | 102,198 |
| 2010 | 46,281 | - | 46,281 |
| 2011 | 39,981 | - | 39,981 |
| 2012 | 17,169 | - | 17,169 |
| Total minimum lease payments | <u>334,753</u> | <u>22,047</u> | <u>356,800</u> |
| Amounts included in minimum lease payments | | | |
| Interest expense | | <u>2,478</u> | |
| | | <u>19,569</u> | |

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

10- DEBENTURES

\$

Liability component of convertible debentures

Ten \$100,000 convertible debentures totalling \$1,000,000, bearing interest rate of 12% (effective rate of 40%), repayable monthly, maturing at different maturity dates between September 2007 and November 2010. The debentures are convertible at the holder's option, into common shares at conversion prices ranging between \$0.23 and \$0.28. The holders, subject to regulatory approval, may request that interest payments be paid in common shares, semi-annually.

616,971

Convertible debenture totalling \$200,000, bearing interest rate of 12% (effective rate of 58%), repayable semi-annually, in common shares, commencing 36 months following the date of issuance (March 2009). The debenture is convertible at the holder's option into common shares at conversion prices ranging between \$0.23 and \$0.25. Subject to regulatory approval, interest payments will be paid in common shares.

98,495

Convertible debentures totalling \$1,500,000, bearing interest rate of 12% (effective rate of 28.81%), plus a maximum NSR royalty of 1.8% on gold ounces produced during the first year at Rocmec 1 and 1.2% thereafter. The debentures will mature on December 31st, 2008, are redeemable on demand, at the Company's option, with a 3 month interest and royalty penalty. The debenture holders may convert 30% of the total amount of the debentures into common shares at a price of \$0.30 per share and the issuer has the right to force conversion of 70% of the total amount of the debentures into common shares at a price of \$0.70 if the closing stock price of the last 30 days preceding conversion exceeds \$0.90.

1,367,200

Balance to carry-forward

2,082,666

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

10- DEBENTURES (continued)

| | |
|-----------------------|-----------|
| | <u>\$</u> |
| Carry-forward balance | 2,082,666 |

Others debentures

Debentures issued agreements with qualified investors totalling \$850,000, bearing interest rate of 12% and maturing on March 2009. The debentures are redeemable at all times with a penalty equal to three months interest and are convertible into common shares at the issuer at the market price on the date of conversion subject to a minimum price of \$0.22. The holders, subject to regulatory approval, may request that interest payments be paid quarterly in common shares.

| | |
|-----------------|------------------|
| | <u>850,000</u> |
| | 2,932,666 |
| Current portion | <u>80,418</u> |
| | <u>2,852,248</u> |

Debentures principal repayments to be made during the following years are as follows:

| | |
|------|------------------|
| | <u>\$</u> |
| 2008 | 80,418 |
| 2009 | 2,568,155 |
| 2010 | 173,367 |
| 2011 | <u>110,726</u> |
| | <u>2,932,666</u> |

Rocmec Mining Inc.

(A Development Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007 (unaudited)

11- SHARE CAPITAL

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Changes in the Company's common share capital were as follows:

| | March 31, 2007 | | September 30, 2006 | |
|-------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | Number | Amount | Number | Amount |
| Shares issued | | \$ | | \$ |
| Balance, beginning of period | 55,288,070 | 12,640,688 | 35,411,728 | 8,117,588 |
| Paid in cash | 11,846,193 | 2,205,395 | 3,466,276 | 415,479 |
| Flow-through shares | 4,859,073 | 1,105,593 | 8,572,566 | 2,166,600 |
| Mining properties | - | - | 875,000 | 136,628 |
| Exercise of warrants | 650,000 | 132,757 | 150,000 | 34,800 |
| Debt settlement | 54,545 | 12,000 | 6,812,500 | 1,769,593 |
| | <u>72,697,881</u> | <u>16,096,433</u> | <u>55,288,070</u> | <u>12,640,688</u> |
| Shares to be issued | | | | |
| Flow-through shares | - | - | 1,232,143 | 345,000 |
| Debt settlement | 48,193 | 12,000 | 54,545 | 12,000 |
| | <u>48,193</u> | <u>12,000</u> | <u>1,286,688</u> | <u>357,000</u> |
| Balance, end of period | <u>72,746,074</u> | <u>16,108,433</u> | <u>56,574,758</u> | <u>12,997,688</u> |

Rocmec Mining Inc.

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11- SHARE CAPITAL (continued)

Common share purchase options

The Company maintains a stock option plan (the "Plan") whereby the Board of Directors may from time to time grant to employees, officers, directors of, or consultants to the Company, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board of Directors.

The Plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the Plan shall be equal to 5,000,000 common shares and that the maximum number of common shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the time of vest. These options must be exercised no later than 5 years after the date of vest.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant.

A summary of changes in the Company's common share purchase options are as follows:

| | Number of options | Weighted average exercise price |
|-------------------------------------|------------------------------|--------------------------------------------|
| | | \$ |
| Balance, beginning of period | 1,125,000 | 0.276 |
| Granted | 650,000 | 0.216 |
| Balance, end of period | 1,775,000 | 0.254 |

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11- SHARE CAPITAL (continued)

Options granted and exercisable as at March 31, 2007:

| Number | Exercise price | Expiry date |
|------------------|----------------|---------------|
| 275,000 | 0.24 \$ | June 2008 |
| 400,000 | 0.30 \$ | June 2008 |
| 100,000 | 0.30 \$ | December 2009 |
| 100,000 | 0.30 \$ | January 2011 |
| 250,000 | 0.26 \$ | April 2011 |
| 450,000 | 0.21 \$ | November 2011 |
| 200,000 | 0.23 \$ | January 2012 |
| <u>1,775,000</u> | | |

Accounting for compensation plans

The fair value of options was estimated using the Black-Scholes option pricing model with the following assumptions:

| | December 31,2006 | March 31,2007 |
|-----------------------------------|---------------------|---------------|
| Risk-free interest rate | 3.95% | 4.03% |
| Expected volatility | 98.30% | 84.73% |
| Weighted average expected life | 5 years | 5 years |
| Expected dividends | 0.0% | 0.0% |
| Charges accounted for in earnings | 77,267 \$ | 31,756 \$ |

Rocmec Mining Inc.

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11- SHARE CAPITAL (continued)

Warrants

Outstanding common share purchase warrants, entitling their holders to subscribe to an equivalent number of common shares, were as follows:

| | Number of warrants | Weighted average exercise price | Monetary value |
|-------------------------------------|--------------------|---------------------------------|----------------|
| | | \$ | |
| Balance, beginning of period | 12,985,638 | 0.298 | 772,083 |
| Granted | 10,609,672 | 0.345 | 605,933 |
| Exercised | (650,000) | (0.165) | (25,256) |
| Expired | (6,999,700) | (0.363) | (394,818) |
| Balance, end of period | 15,945,610 | 0.306 | 957,942 |

Warrants outstanding as at March 31, 2007 are as follows:

| Number | Exercise price | Expiry date |
|-------------------|-------------------|----------------|
| 47,188 | 0.320 \$ | June 2007 |
| 1,747,000 | 0.200 \$ | September 2007 |
| 41,750 | 0.240 \$ | October 2007 |
| 362,500 | 0.250 \$ | October 2007 |
| 250,000 | 0.200 \$ | November 2007 |
| 1,000,000 | 0.250 \$ | September 2007 |
| 446,008 | 0.400 \$ | December 2007 |
| 1,250,000 | 0.250 \$ | January 2008 |
| 337,500 | 0.230 \$ | March 2008 |
| 300,000 | 0.220 \$ | March 2008 |
| | | December 2007 |
| 2,884,614 | 0.50\$ et 0.75 \$ | and 2008 |
| 7,279,050 | 0.28\$ et 0.35 \$ | February 2008 |
| | | and 2009 |
| 15,945,610 | | |

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11- SHARE CAPITAL (continued)

During the period, the Company issued 10,609,672 warrants. Each warrant entitle the holder to purchase one common share with expired dates from December 2007 to February 2009 at a price between \$0.28 to \$0.75 per share.

The warrants were issued under private placements to common shareholders and to brokers. They have been accounted for at their value of \$604,193 and \$1,740 respectively in warrants under share holder's equity and share issuance charges determined using the Black-Scholes options valuation model.

12- COMMITMENTS

- i) The Company has entered into long-term leases agreements until 2008 for the hiring of spaces and the hiring of equipment. The balance of engagements according to these leases, is established to \$148,566. The minimum lease payments for the following years are as follows:

| | |
|------|----------------|
| 2008 | 148,566 |
| 2009 | - |
| | <u>148,566</u> |

13- CASH FLOWS

Supplemental cash flows information:

Non-cash investing and financing activities:

| | |
|---------------------------------------------------------------------------|-----------|
| Amortization included in the deferred exploration and development charges | 192,526 |
| Share issuance paid by warrants | 1,740 |
| Future income taxes included in share issuance expenses | 318,330 |
| Deferred exploration and development charges financed by accounts payable | 1,407,475 |
| Debt settlement by share capital | 12,000 |

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14- IMPORTANT EVENT

March 2006

The Company concluded transactions aimed at readjusting the exclusive thermal fragmentation licensing agreement with Rocmec International Inc. In accordance with the transactions, the Company has acquired all the equipment from Rocmec International Inc., reduced royalty payments on ounces produced by way of thermal fragmentation and eliminated the minimal guaranteed royalty payments. In return, the Company has taken on certain financial obligations of Rocmec International Inc.

License modification and equipment acquisition

The Company has acquired all the equipment from Rocmec International Inc. The equipment includes the thermal fragmentors and accessories, vacuum equipment and various types of small equipment. The Company entered into a new exclusive licensing agreement that sets royalty payments at \$15,00 per ounce produced by way of thermal fragmentation, wrote off the minimal guaranteed royalty payments and terminates the indemnity agreement. Furthermore, Rocmec International Inc. has agreed to offer to a debenture's owner a mortgage on its intellectual property and in turn the Company has offered an open mortgage to Rocmec International Inc.

Compensation

In return, the Company take on certain obligations of Rocmec International Inc. totalling \$2,018,345. In payment of \$1,868,509 of these obligations, a total of 6,450,00 common shares issued at an average price of \$0.29 and 1,000,000 warrants valid for 18 months and will enable the subscriber to acquire one common share at a price \$0.25.

Additionally, Rocmec will take on 2 loans secured by equipment included in the sale for an amount totaling \$150,516.